



ASX Announcement

Melbourne, 12 July 2012

CogState Reports Unaudited Full Year Profit Results

Based on unaudited financial statements, CogState (ASX:CGS) today announced its anticipated financial results for the year ended 30 June 2012. Audited financial statements will be released on 22 August 2012. All figures are stated in Australian dollars unless otherwise stated.

Highlights

- Fourth consecutive cash flow positive year with a net cash inflow of \$1.35 million for the year
- Cash reserves of \$4.66 million at 30 June 2012
- Trade debtors of \$1.98 million at 30 June 2012
- Revenue expected to be in the range of \$11.5 million to \$12.0 million
- Net Profit After Tax expected to be in the range of \$2.2 million to \$2.7 million

Cashflow

Strong sales throughout the year resulted in an improved cash performance for the year. Cash on hand increased by \$1.35 million during the year.

At 30 June 2011, CogState had combined cash and debtors of \$6.64 million, made up as follows:

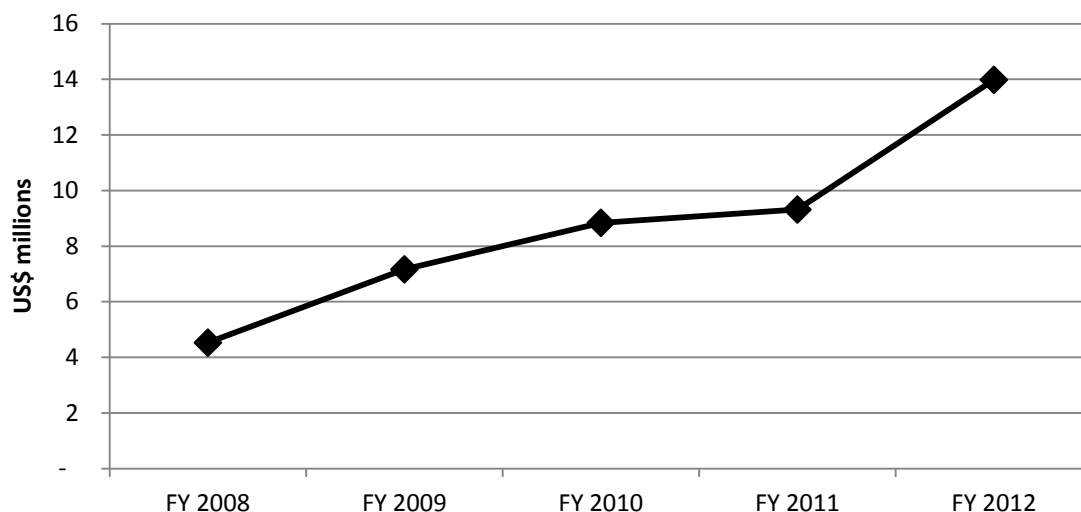
- Cash reserves of \$4.66 million (30 June 2011: \$3.3 million)
- Trade debtors of \$1.98 million (30 June 2011: \$1.2 million)

Clinical Trial Sales Contracts

During the year, CogState entered into sales contracts to the value of US\$14 million for the provision of CogState technology and associated services in clinical trials, a 50% increase on the prior year.



Clinical Trial Sales Contracts, by financial year



At 30 June 2012, contracted revenue to be recognized in future periods totaled \$7.8 million (*prior year \$5.6m*), of which \$5.7 million (*prior year \$3.7m*) is expected to be recognized in the financial year ending 30 June 2013.

Profit / Loss

CogState is expected to record revenue of \$11.5 million to \$12.0 million for the financial year, generating a net profit after tax of \$2.2 million to \$2.7 million.

The expected net profit after tax includes the following items:

- Gain on revaluation of Axon Sports \$1.3 million
- Amortisation of goodwill generated by the acquisition of the remaining 50% interest in Axon Sports (\$0.2 million)
- Share of loss from Axon Sports joint venture (\$0.3 million)
- Foreign exchange gain \$0.1 million

During the second half of the financial year, additional expenditure was incurred in respect of research and development in preparation for the launch of CogState's technology in the primary care physician market. After entering into an agreement with Merck last month, CogState expects to launch this product in Canada towards the end of the 2012 calendar year.



About CogState

CogState Ltd (ASX: CGS) specialises in the development and commercialisation of rapid, computerised tests of cognition (brain function).

In the clinical drug trial market, CogState technology and associated services are used by pharmaceutical and biotechnology companies to quantify the effect of drugs or other interventions on human subjects participating in clinical trials. Since sales into the clinical trials market began in 2004, CogState has secured agreements with top pharmaceutical companies including Pfizer, AstraZeneca, Bristol-Myers Squibb, GlaxoSmithKline, Merck, Johnson & Johnson, Novartis, Lundbeck, Dainippon Sumitomo, Targacept, Otsuka, and Servier.

In the area of sports related concussion, CogState's technology has been used by a number of highly regarded institutions and sporting organisations around the world for almost 10 years. That technology is now marketed to consumers as Axon Sports. Current users of CogState/Axon Sports include, University of Notre Dame, University of Michigan, University of Connecticut, English Rugby League, English Jockey Club, and a number of national and international Rugby League and Rugby Union clubs. In Australia, both the AFL and NRL have mandated computerised cognitive testing, using CogState. Recently, CogState partnered with Toyota to provide the CogState technology to 130 amateur football clubs as part of Toyota's "Good for footy" program.

In June 2012, CogState entered into an agreement with Merck Canada Inc. providing it with the exclusive right to market and promote the CogState Test to primary care physicians in Canada. The first commercial sale is expected to occur before the end of 2012. In the primary care or general practice setting, the CogState Test assesses cognition in patients and the reports generated on the basis of this assessment can allow physicians to identify subtle changes that could be indicative of the early stage of a neurodegenerative disease, such as Alzheimer's disease. The CogState Test can also be used to monitor changes in cognitive function following concussion or after treatment with drugs or other types of interventions.

For further information:

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